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**JUDGE MANNING
MAGISTRATE JUDGE VALDEZ**

Exhibit 3

JEFFERIES GROUP INC /DE/

FORM 10-K (Annual Report)

Filed 03/01/07 for the Period Ending 12/31/06

Address	520 MADISON AVENUE 12TH FLOOR NEW YORK, NY 10022
Telephone	212-284-2550
CIK	0001084580
Symbol	JEF
SIC Code	6211 - Security Brokers, Dealers, and Flotation Companies
Industry	Investment Services
Sector	Technology
Fiscal Year	12/31

Table of Contents**PART I****Item 1. Business.****Introduction**

Jefferies Group, Inc. and its subsidiaries ("we", "us" or "our") operate as a full-service global investment bank and institutional securities firm focused on growth and middle-market companies and their investors. We offer these companies capital raising, merger and acquisition, restructuring and other financial advisory services, and provide investors fundamental research and trade execution in equity, equity-linked, high yield and investment grade fixed income securities, as well as commodities and derivatives. We also provide asset management services and products to institutions and other investors.

Our principal operating subsidiary, Jefferies & Company, Inc. ("Jefferies"), was founded in 1962. Since 2000, we have pursued a strategy of continuing growth and diversification, whereby we have sought to increase our market share in each of the markets we serve and the products and services we offer, while at the same time expanding the breadth of our activities in an effort to mitigate the cyclical nature of the financial markets in which we operate. Our growth plan has been achieved through internal growth supported by the ongoing addition of experienced personnel in targeted areas, as well as the acquisition from time to time of complementary businesses. More recently, we have increased our global focus on serving companies and investors in Europe, the Middle East, Latin America and Asia.

As of December 31, 2006, we had 2,254 employees. We maintain offices throughout the world and have our executive offices located at 520 Madison Avenue, New York, New York 10022. Our telephone number is (212) 284-2550 and our Internet address is www.jefferies.com.

We make available free of charge on our Internet website the following documents and reports, including amendments (the reports are made available as soon as reasonably practicable after such materials are filed with or furnished to the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934):

- Code of Ethics;
- Reportable waivers, if any, from our Code of Ethics by our executive officers;
- Board of Directors Corporate Governance Guidelines;
- Charter of the Audit Committee of the Board of Directors;
- Charter of the Corporate Governance and Nominating Committee of the Board of Directors;
- Charter of the Compensation Committee of the Board of Directors;
- Annual reports on Form 10-K;
- Quarterly reports on Form 10-Q;
- Current reports on Form 8-K; and
- Beneficial ownership reports on Forms 3, 4 and 5.

Shareholders may also obtain free of charge a printed copy of any of these documents or reports by sending a request to Investor Relations, Jefferies & Company, Inc., 520 Madison Avenue, 12th Floor, New York, NY 10022, by calling 203-708-5975 or by sending an email to info@jefferies.com.

Subsidiaries of Jefferies Group, Inc.

(excludes certain subsidiaries pursuant to Item 601 of Regulation S-K)

<i>Name</i>	<i>Place of Formation / Incorporation</i>
Jefferies & Company, Inc.	Delaware
Jefferies Asset Management, LLC	Delaware
Jefferies Asset Management (Zurich)	Switzerland
Jefferies Asset Management Japan Limited	England & Wales
Jefferies Execution Services, Inc.	California
Jefferies Financial Products, LLC	Delaware
Jefferies International Limited	England & Wales
Jefferies International (Holdings) Limited	England & Wales
Jefferies Investment Management Limited	England & Wales